(b) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) The consumer electronic items currently attract central excise duty at rates ranging from 0% to 20% ad valorem. At present there is no proposal under consideration to reduce the excise duty on consumer electronics.

Guidelines issued by RBI to give credit to Small Scale Sector

2581. DR. JAGANNATH MISHRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India has issued guidelines to the Banks that upto 20% of the turnover credit, could be given to Small Scale Sector upto a limit of Rs. one crore; and

(b) if so, the names of the banks which have not followed these guidelines and the action taken against those banks?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) The Reserve Bank of India (RBI) has reported that instructions have been issued by it to banks to grant atleast 20% of the projected annual turn-over as working capital limits to existing or new small scale industrial (SSI) units where the request for credit limit is upto Rs. one crore.

(b) RBI has reported that banks are generally following the guidelines in regard to grant of credit for working capital.

RBI has further reported that a sample study conducted by it in February/March 1996 revealed that working capital was computed on annual turn-over basis in respect of about 56% of the loan applications covered by the study. Non-adherence by bank branches to the prescribed level was mainly due to (i) working capital needs of the SSI borrowers being less than 20% of the projected annual turnover, (ii) surplus liquidity conditions in the market; (iii) non-disclosure of the market borrowings made by the applicants in the application; (iv) non-receipt of RBI guidelines by branches in certain cases; and (v) loan applications being covered under sponsered schemes.

Certain deficiencies which were noticed during the study including non-providing of working capital as per prescribed norms were pointed out to the banks by RBI in September 1996 advising then to review the position and take corrective measures wherever necessary.

Expansion and reconstruction of Government Hotels

2582. SHRI RAHASBIHARI BARIK: Will the Minister of TOURISM be pleased to state:

(a) whether Government have a proposal to expand and reconstruct some of Government hotels;

(b) if so,the hotels identified for the purpose;

(c) the estimated cost of those expansion and reconstruction projects;

(d) whether any State Tourism Development hotel has also been identified for expansion and reconstruction in 9th Plan; and

(e) if so, the details thereof?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF TOURISM (SHRI SRIKANTA JENA): (a) and (b) Yes, Sir. ITDC envisages expanding its hotels at Kovalam, Udaipur and Mamallapuram subject to feasibility reports showing economic viability and to reconstruct Lodhi, Janpath and Ranjit hotels in Delhi starting with Lodhi Hotel in the first phase.

(c) Schemes for expansion of hotels are yet to be formulated and finalised. The reconstruction of Lodhi Hotel is estimated to cost Rs. 98.11 crores.

(d) and (e) State Govts. on the basis of their requirement take decisions to expand and reconstruct their hotels.